

BEFORE THE
TENNESSEE STATE BOARD OF EQUALIZATION

In Re: Leonard C. Osborne)
Ward 96, Block 522, Parcel A32C) Shelby County
Residential Property)
Tax year 2005)

INITIAL DECISION AND ORDER

Statement of the Case

The Shelby County Board of Equalization ("county board") has valued the subject property for tax purposes as follows:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$66,000	\$307,000	\$373,000	\$93,250

On April 26, 2006, the property owner filed an appeal with the State Board of Equalization ("State Board").

The undersigned administrative judge conducted a hearing of this matter on August 1, 2006 in Memphis. The appellant, Leonard C. Osborne, represented himself at the hearing. Staff appraiser Nathan Chamness, TCA appeared on behalf of the Shelby County Assessor of Property.

Findings of Fact and Conclusions of Law

The property in question is a single-family residence in Section A of the Countrywood subdivision. Built in the mid-1970s, this 4,976-square-foot house sits on a half-acre lot that fronts on the Colonial Country Club golf course.

In 2002, following a protracted dispute, this area was annexed by the city of Memphis. Consequently, Countrywood experienced what the Assessor's representative called a "mass exodus." But according to his information, prices in the neighborhood had rebounded by the end of 2004 – albeit not to previously-attained levels. In Mr. Chamness's view, the current appraisal of the subject property accurately reflected its market value as of the reappraisal date. He submitted a comparative sales analysis, placing most weight on the sale of a somewhat smaller house at 8425 Countrywood for \$385,000 in May, 2004.

The \$373,000 value determined by the county board was \$15,200 below the Assessor's original appraisal of the subject property. However, Mr. Osborne lamented that a prominent neighbor and the Country Club itself had managed to obtain more dramatic (30%) reductions in their assessments.¹ The appellant doubted that his home would have brought more than

¹Both the neighbor and the Country Club were apparently represented by legal counsel in their appeals to the county board.

\$325,000 on January 1, 2005. In this regard, he alluded to a number of recent listings in Countrywood which had not produced the desired results.

Tenn. Code Ann. section 67-5-601(a) provides (in relevant part) that “[t]he value of all property shall be ascertained from the evidence of its sound, intrinsic and immediate value, for purposes of sale between a willing seller and a willing buyer without consideration of speculative values....”

Since the taxpayer seeks to change the present valuation of the subject property, he has the burden of proof in this administrative proceeding. State Board Rule 0600-1-.11(1).

Historically, in adhering to a *market value* standard of review, the State Board has declined to grant relief on the basis of the amount or percentage of increase in the appraisal of the property in question. See, e.g., E. B. Kissell, Jr. (Shelby County, Tax Years 1991 & 1992, Final Decision and Order, June 29, 1993). This agency has also generally rejected complaints to the extent that they are predicated on the alleged inequity of an assessment in comparison that of other property in the vicinity.

Likewise, the administrative judge knows of no authority for the proposition that the State Board must “equalize” the amount or percentage of any adjustments to the reappraised values of properties within a particular neighborhood. The State Board is a quasi-judicial body which is bound by the Uniform Administrative Procedures Act to consider only the evidence of record in each contested case presented. Tenn. Code Ann. section 4-5-314. Thus, depending on the quantity and quality of the proof on both sides, even similarly situated property owners may achieve significantly different outcomes in the appeals process.

In this proceeding, the most probative evidence of the value of the subject property on the relevant assessment date appears to be the aforementioned sale of 8425 Countrywood.

Order

It is, therefore, ORDERED that the following values be adopted for tax year 2005:

LAND VALUE	IMPROVEMENT VALUE	TOTAL VALUE	ASSESSMENT
\$66,000	\$307,000	\$373,000	\$93,250

Pursuant to the Uniform Administrative Procedures Act, Tenn. Code Ann. §§ 4-5-301—325, Tenn. Code Ann. § 67-5-1501, and the Rules of Contested Case Procedure of the State Board of Equalization, the parties are advised of the following remedies:

1. A party may appeal this decision and order to the Assessment Appeals Commission pursuant to Tenn. Code Ann. § 67-5-1501 and Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization. Tennessee Code Annotated § 67-5-1501(c) provides that an appeal “**must be filed within thirty (30) days from the date the initial decision is sent.**” Rule 0600-1-.12 of the Contested Case Procedures of the State Board of Equalization provides that the appeal be filed with the Executive Secretary of the State Board and that the

appeal **“identify the allegedly erroneous finding(s) of fact and/or conclusion(s) of law in the initial order”**; or

2. A party may petition for reconsideration of this decision and order pursuant to Tenn. Code Ann. § 4-5-317 within fifteen (15) days of the entry of the order. The petition for reconsideration must state the specific grounds upon which relief is requested. The filing of a petition for reconsideration is not a prerequisite for seeking administrative or judicial review.

This order does not become final until an official certificate is issued by the Assessment Appeals Commission. Official certificates are normally issued seventy-five (75) days after the entry of the initial decision and order if no party has appealed.

ENTERED this 18th day of August, 2006.



PETE LOESCH
ADMINISTRATIVE JUDGE
TENNESSEE DEPARTMENT OF STATE
ADMINISTRATIVE PROCEDURES DIVISION

cc: Leonard C. Osborne
Tameaka Stanton-Riley, Appeals Manager, Shelby County Assessor's Office

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